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BOATING INDUSTRY

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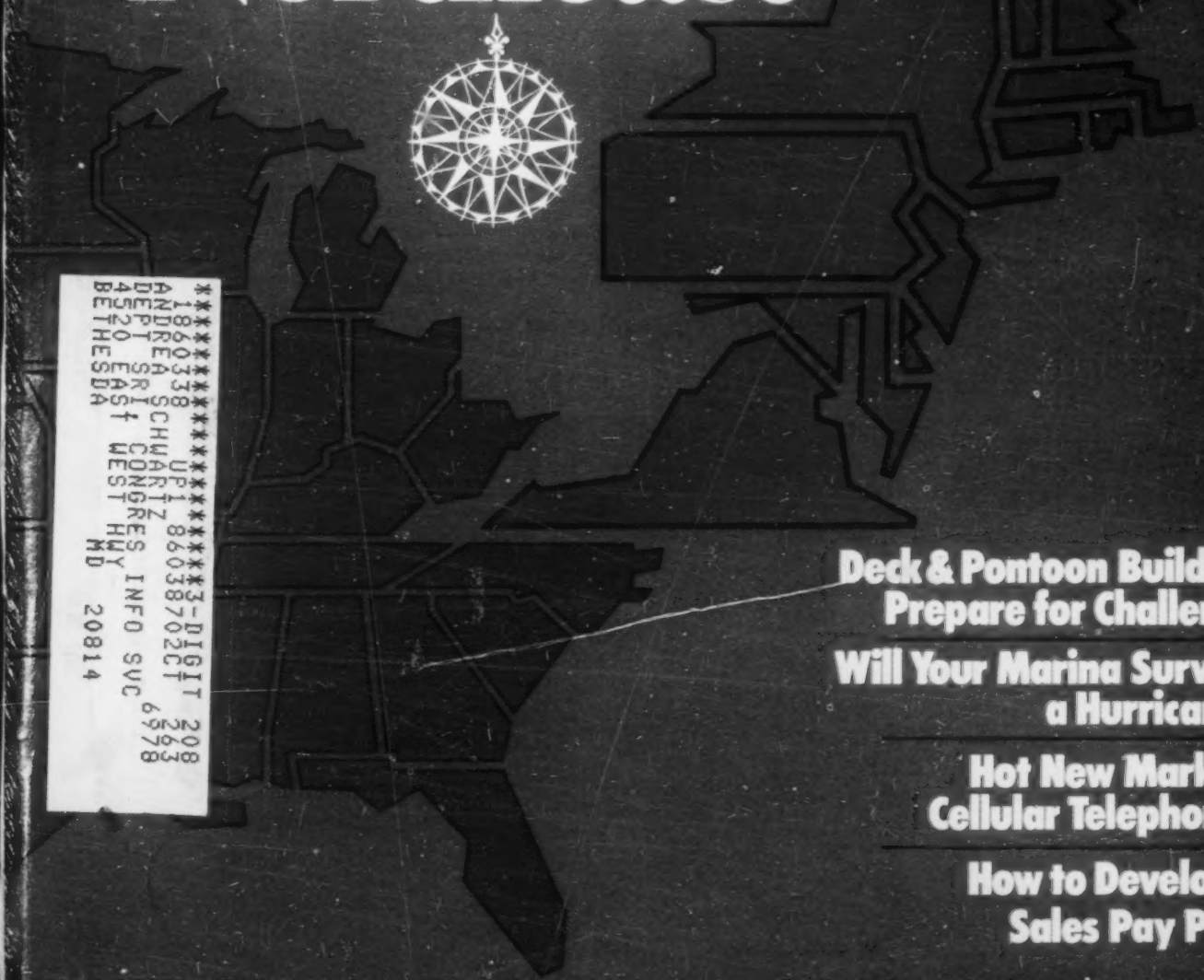
Dealers of the Northeast



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Deck & Pontoon Builders Prepare for Challenge

Will Your Marina Survive a Hurricane?

Hot New Market: Cellular Telephones

How to Develop a Sales Pay Plan

BOATING INDUSTRY

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Dealers of the Northeast

Marine dealers in the northeast have their own private collection of problems and pluses endemic to the region. In this comprehensive report, the editors profile the very unique aspects of running marine business in this geographic sector.

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Cellular telephones are beginning to gain popularity among boat owners, and present the marine dealer with a new opportunity to fatten up the revenue stream—but—you have to know how to go about it.

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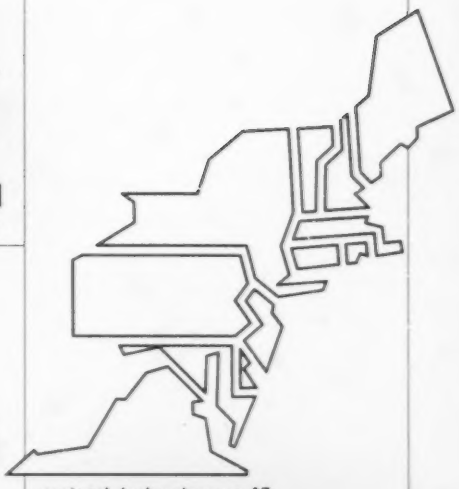

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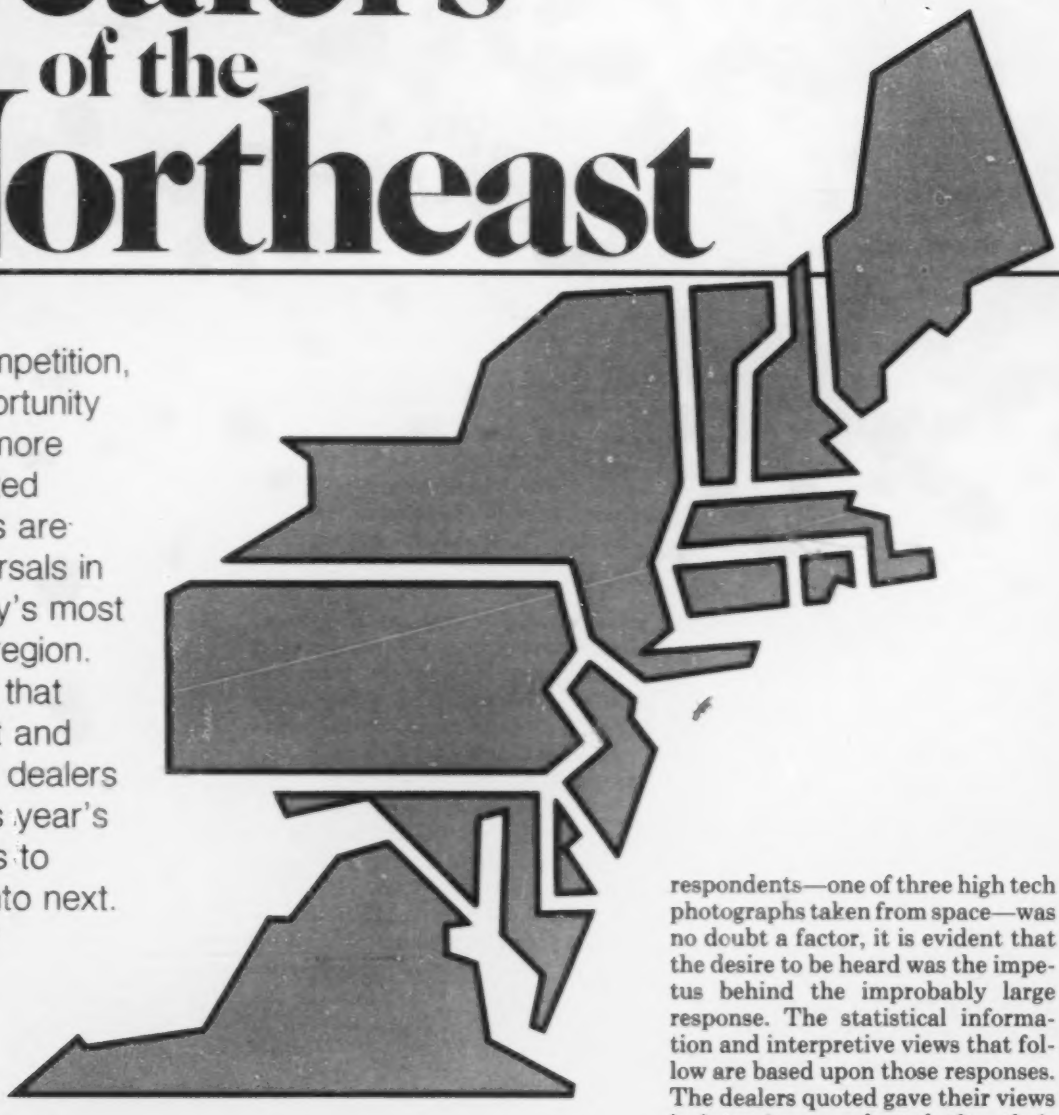
Dealers of the Northeast

Tough competition, great opportunity and ever-more sophisticated consumers are near-universals in the country's most populous region. Another is that many boat and accessory dealers expect this year's good news to continue into next.



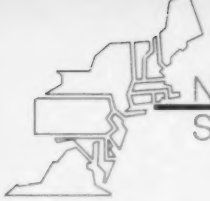
BY CARL WEINSCHENK

From Winslow Homer's craggy, rock-strewn Maine coast to New York's street beat to the historic fields of Gettysburg, it offers as diverse a natural and cultural landscape as any in America. The aims, techniques and opinions of its boat dealers are as divergent as the setting. It seems appropriate that BOATING INDUSTRY launches its series of regional dealership studies with a look at the busy northeast.

A tremendous amount of interesting data was gathered from the 550 surveys mailed to dealerships in the area. The approximate 25% response has made possible the creation of a meaningful profile of the region's boat dealers that, while obviously not comprehensive, is instructive in many ways. The large number of responses is in itself noteworthy. Though a premium offered respondents—one of three high tech photographs taken from space—was no doubt a factor, it is evident that the desire to be heard was the impetus behind the improbably large response. The statistical information and interpretive views that follow are based upon those responses. The dealers quoted gave their views in interviews conducted after their surveys were received.

Expectations and Perceptions

A vast majority of dealers believe that their business will improve during 1987. Of 118 respondents to the question, about 80% indicated they expect an increase. Estimates on the size varied between 4% and 100%. Twenty-two survey participants indicated business will remain constant. Only two anticipate a decline (both at 20%). The average among those who see an



NORTHEAST SURVEY

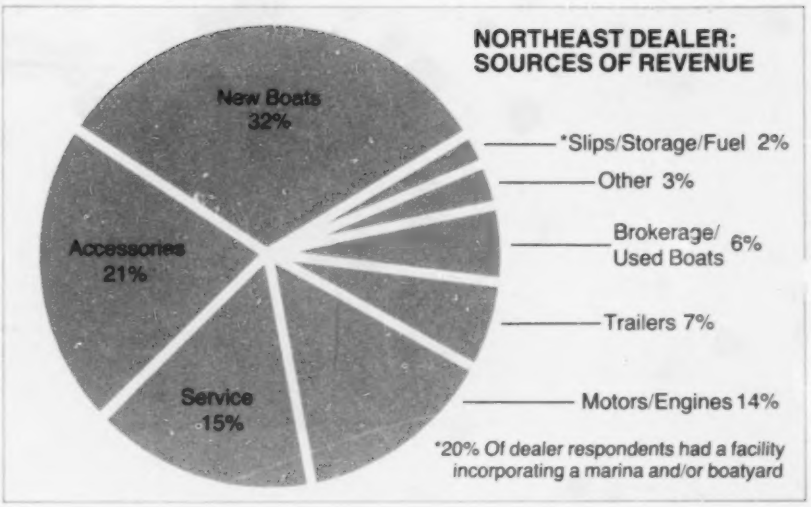
incease was 20.6%. When the increases, constants and decreases are all tabulated, the dealers surveyed expect a 16% increase during the 1987 model year.

Of course, reasons for the rosy predictions vary considerably. Such a preponderance of opinion on the side of increased business either signifies a general belief in the expansion of the market or that people make upbeat predictions in hopes the favorable quote is a self-fulfilling prophesy.

Statistics can lie. High percentage jumps are likely to be garnered by young businesses in which modest 1986 results mean that small real gains anticipated (if realized) will show up as high percentages; older establishments may be reporting prospective one or two percent gains or even—in depressed or highly competitive areas—small declines that seem unimpressive but would actually be a considerable show of strength.

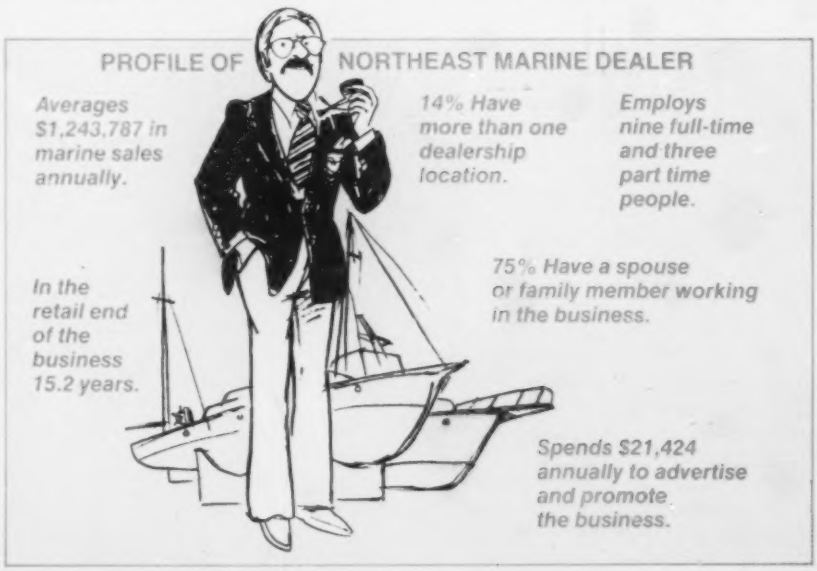
The perception of northeast region dealers on the differences between them and facilities in other parts of the country focused on high levels of competition and the short season. The most common responses mentioned competition from other area facilities (about 35%) and discount and catalog houses (about 18%). (Respondents that mentioned the two forms of competition were tallied in both categories.) The higher level of customer sophistication was the only other answer that gathered more than three responses (about 15%).

The question was designed to explore how northeastern dealers feel they differ from those in other regions. Of course, competition from catalog houses and mail order operations is seen as a problem by dealers across the country. The major player in this game is E & B Marine, which is headquartered in New Jersey. Goldberg Marine, a major mail order business until its purchase by E & B, was headquartered in Philadelphia. Its legacy is the strength of its mailing lists and customer rolls, now a supplement to E & B's market coverage. Whether the E & B-type operation is stronger on its home northeast turf would be hotly debated by dealers in other areas. What is important in the context of this discussion is that northeastern dealers feel it is.



The level of competition from other non-discount or mail order businesses perhaps reveals better than any other question the pressures of the area. The spine of this section of the country is the megalopolis extending from Washington through Baltimore, Philadelpia, New York City and, ending, finally, in Boston. Needless to say, the urban sections of this huge mosaic are rife with competition. It is also true that, along the coast, suburbs—with towns and smaller cities that would qualify as major selling spots in other parts of the country—make the region one big mulligan stew of competitive facilities and forces. For instance, if located in the southwest, Stamford, Bridgeport, Allentown, Newark, Wilmington, Richmond or Lynn would be considered among the region's largest trading centers. The millions of people who live in this region are travelers who enjoy taking a weekend or a short vacation (but maybe not *the* big vacation of their year) at resort areas in the upstate, coastal and southern regions of the northeast. A prime example is the movement of Washingtonians to the Maryland and New Jersey shores almost every weekend of the summer.

Most urban residents do not mind


PROFILE OF NORTHEAST MARINE DEALER
Averages $1,243,787 in marine sales annually.
14% Have more than one dealership location.
Employs nine full-time and three part time people.
In the retail end of the business 15.2 years.
75% Have a spouse or family member working in the business.
Spends $21,424 annually to advertise and promote the business.

traveling to find a bargain or the exact piece of merchandise they want. The general feeling is that northeastern consumers will seek out a deal, even if it means traveling to the next store, the next community or even the next city. The willingness of consumers to hit the road is an implicit assumption in the creation of the Philadelphia Marine Center, a mall that will depend upon drawing customers from a large region for its success.

Supply follows demand. In the northeast the demand is substantial, so the concentration of suppliers is great. Seen in the context of the short season that limits the vast majority of area dealers and the willingness of consumers to travel, a fierce atmosphere emerges. The huge amount of competition and the emphasis on price reinforced by the non-service outlets make it more difficult to attract and retain long term customers.

The feeling that competition is increasing is accented by the high percentage of first-time boat buyers among customers of respondents. A hefty 40.2% of buyers purchased their initial boats from those answering the survey.

Kathie Ward, of Ward Marine, an accessory dealer in Winthrop, Massachusetts, indicated in a post-survey interview that high competition is the key. "Everybody in this area is very price conscious," she said. Ward feels that the heavy challenge offered by mail order houses such as E & B Marine must be repulsed by offering premium service and easy accessibility. "A lot of people are willing to pay a few dollars more or a few cents more if they can come in and get it off the shelf," she said. One way the Ward's have combatted both the seasonal nature of northeastern business and the encroachment by the large discount-type operations is by offering their own catalog at two Boston boat shows. The results are impressive. Ward estimates that 35 to 40% of her business is from outside a five-mile radius from the store, 15 to 20% from outside the state and 5% from outside the region.

T. J. Eichelberger, the owner of Captain's Choice Marine in Crownsville, Maryland, points to another

CLOSEUP

The Boat Dealer and the Sea

Al Grover Jr. accompanied his father, a successful Freeport, New York boat dealer on the most harrowing part of a dangerous storybook adventure, the main part of which the family believes was the first outboard crossing of the Atlantic. That three-week segment started in St. Pierre, a French island off Newfoundland and ended in Flores, a Portugese island 800 miles off the mainland coast. The two made the crossing in August of 1985.

The senior Grover, 58, divided his 5,000 nautical mile dream odyssey into three sections. The first leg was from Freeport, on the south shore of Long Island, to St. Pierre. The actual trans-Atlantic voyage, the time during which Al Jr., was on board, was the middle leg. The third was the trek from Flores to Scandanavia, undertaken as a tribute to Ole Evinrude, father of Grover's good friend Ralph Evinrude, the recently deceased founder of Outboard Marine Corporation. Family members, including sons Al Jr. and Dante, daughters Andrea and Joeann and wife Arti took turns worrying at home or keeping Al Sr. company. Currently, Grover is in Oslo considering a fourth leg south to the Greek Islands.

The 2,300 nautical mile crossing was made in August, 1985 on a custom Groverbuilt 26-foot fishing skiff specially outfitted with 18 above deck gas tanks. Propulsion was provided by two Evinrude 65 horsepower motors. The fuel added so much weight that there were but 5 or 6 inches from water to gunwale. The travelers were confined to a tiny cabin area, where they spent virtually the entire trip.

The Grovers quickly learned the risks of challenging the north Atlantic. "The first night, about eight hours off the Grand Banks, we hit the first real bad gale. It blew up to 50, 60 knots. We had very little freeboard, so we took a lot of water on top...We both knew we were very, very heavy with fuel and that there was really nothing we could do about it."

The gale was a preliminary to Hurricane Claudette, the main event and a real heavyweight. "Just prior to the hurricane we were getting 25-foot breakers and 70 and 80 knot winds," said Grover. "What the Coast Guard was forecasting was double the sea conditions, double the wind conditions. At that point my father turned and said, 'Listen, I don't think we're going to make it.'...No, I didn't want to die, but it was a situation at that point where you couldn't get out and walk home."

(continued on page 101)

When the 18 auxiliary tanks were full, the craft had between five and six inches of freeboard. The Grovers hit a gale in this condition.

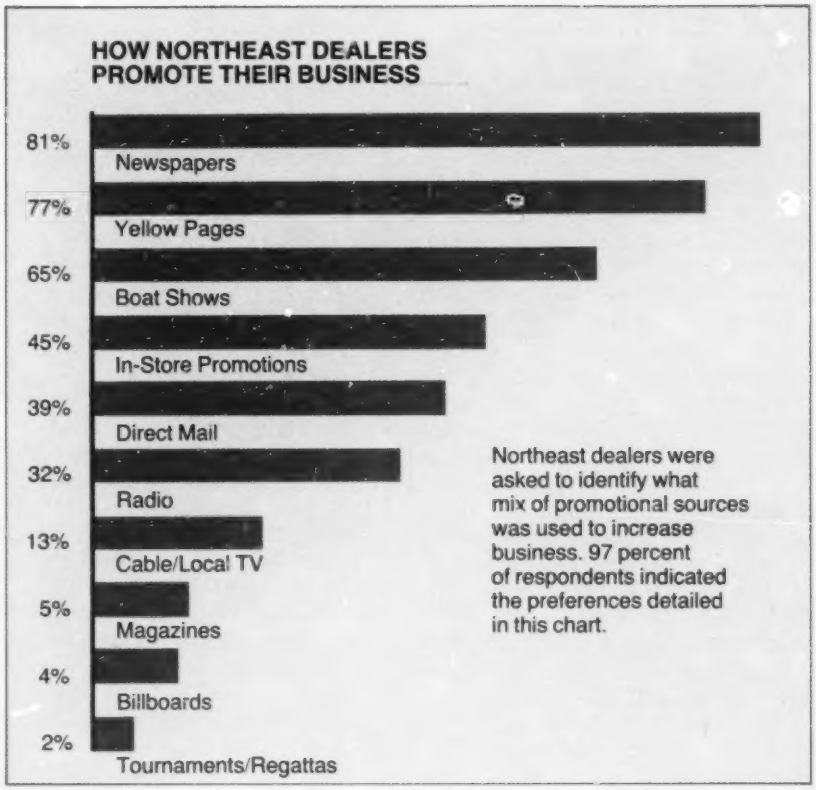
concern of many dealers in the northeast. High population density and piecemeal lawmaking have created zoning problems in many areas, particularly those seen as prime. Captain's Choice, for instance, is zoned in a factory-type classification. A boat business, he said, cannot match the profitability of other businesses with this rating. This leads Eichelberger to comment that new dealers cannot hope to become established unless they own the property on which the facility sits. He indicated that last year he "was the number four Regal dealer in the world, and could easily be number one if I had the space."

Finance and Transition

Many of the questions dealt with various financing issues. As could be expected, more than half (56.6%) of the boats bought were financed in some way. By far the leading lenders were local banks (more than 81%). Finance companies were next, with a shade over 40%. Almost 10% of respondents provided in-house financing for customers. Finally, a shade over 6% sold boats in conjunction with savings and loan organizations.

The close ties with local banks held true for a question asking for sources of floor plan financing. Almost 85% worked in cooperation with such institutions. Manufacturer-provided finance company programs were next, with about 44% of the total. Non-manufacturer finance companies were called in for a bit under 15%. Finally, about 6% of the responses received indicated that they had independent programs with various savings and loan insititutions.

Another element in the race to make each dollar as effective as possible is the use of co-op advertising money. A very high percentage of respondents—95.5%—place ads in conjunction with engine manufacturers. Boat builders come in next with a shade over 50% (51.7%), trailers third with 6.7% and finally electronics, with 4.5%.



Perhaps the widest variety of answers was gathered from dealers indicating what has changed most about doing business in the northeast over the last decade. Two interrelated answers were the most common. Eighteen percent said that there is more competition. The same ratio said either that demand is up or that boating is growing. Ten percent specified the advent of mass distribution and catalog houses as the most important change. Eight percent indicated that consumers have gotten smarter and more sophisticated. Six percent referred to the upswing and subsequent fade of sail. Four percent indicated that there are less marina facilities open to the general public in their area and a similar ratio feel the biggest change is a move to large boats.

> Business advances have been met with an increase in competition and a rise in consumer sophistication.

The basic message here seems clear. The growth in boating has been paralleled by a growth in competition. In addition to the changes that have impacted the economy in general, boating has undergone its own transition. The industry that many people entered during the middle and late 1970s, and the times before that, is long gone.

Reasons for the changes, said Carmine Bianco, of White Marine in Warren, Rhode Island, include the fact that "interest rates are better and the economy is better." He estimates that his business increased about 40% between this year and last and has just signed a lease on a second facility in the vicinity. His feelings are echoed by Anne Cooper, the co-owner, along with her husband, of Cooper's Marine, Inc., in Richmond, Virginia. She indicated that business has increased, as evidenced by the two new dealerships that have opened in the last year, bringing to nine the number in the

area. She feels that customers are now more sophisticated, with more sources of information to choose from. The increased amount of product available has encouraged people, she said, to compare things in more detail.

Another dealership success story is told by Terry Barrick, the co-owner, also with her husband, of Big Bee Boats of Marysville, Pennsylvania. "Four or five years ago we took on the Bayliner line," she said. "It just mushroomed our business, twice again in the first year." She indicated that not only is the total of boats sold greater, but the size of the average boat in that sale has grown. The problem is that the dealership is 90 miles from the closest substantial body of water, and the bigger boats lead to trailering problems.

Ron Close, the owner of Conestoga Marine, in Lancaster, Pennsylvania, feels dealers in the northeast cannot "hold the bottom line" as well as those in other areas. The problem, he says, "comes from too many dealers inexperienced in running a proper business, not realizing their profit isn't what it should be." Dealers in the west and midwest, he feels, make better profits and therefore can do more advertising and reinvest money in other ways. The situation in this region "came out of bad times, when people had to scratch to sell anything. Now, they can't get turned around."

The success or failure of a business, especially in what appears to be a buyer's market, depends to a great extent on picking the right product to present consumers. The four most important elements in such a choice, according to the response, were (in order): quality of construction, territory protection, customer demand and warranty follow-through. The type product most likely to be added during the next year is a new boat line.

Climate

Some may assume that the sometimes cold and dreary northeast climate has a negative impact on boat sales. Indeed, 35 respondents called the region's seasonality a hinderance. Added to this was a a great number of dealers who, while not directly stating that the long

CLOSEUP

A Thurston Family Affair

When a job opens at Thurston Marina in Weirs Beach, New Hampshire, president Jeff Thurston looks no further than the family album to fill it. Since its founding a steady stream—indeed, at times a torrent—of family members have contributed in a variety of ways to the facility's success.

The marina is located on a placid bay in Lake Winnipesaukee, in the eastern part of the state. At various times, as many as 20 Thurstons and related in-laws have tended the 60-plus slips or sold Cobalt, Crestliner, Harris Flote-bote, Grumman and Aquacat craft. The patriarch of the clan is A. Donald, 61 years old, who founded the business in July, 1972, with son Jeff, 41 (now president). The elder Thurston is retired, except for an occasional boat show stint. Jeff's brothers include Bruce, 35 (service manager), Don, 40 (vice president) and 31-year-old twins David (vice president) and Mark (warranty manager). In addition, a confusing family tree of sons, daughters, nieces, nephews, cousins, grandchildren and sisters- , brothers- and mothers-in-law pitch in, both during the busy season and while the braintrust attends off-season dealer meetings and trade shows.

Before owning the marine facility both A. Donald and Jeff sold heavy equipment. The unique arrangement for the Thurston family, which to that point lived in Exeter and boated on Merrymeeting Lake, started soon after Jeff sold a fork lift to the prior owners of the marina. "They said they had bought another marina on the lake and I said 'You're going to need a new fork lift over there, since you'll be used to this new equipment.' He said 'No, I'm going to move the fork lift you just sold me here over to the other place and I'm going to sell this place.' One thing led to another and within six or seven months we owned the place. My father and I quit our jobs and moved our families up here. We were in the marina business, thinking this was absolutely the end of the rainbow and the pot of gold."

The rainbow had to bend around the first Arab oil embargo, however. Jeff points to the crucible of those rough early days as a reason the family affair has not turned into a family feud. "That was a tough time to start a new business, especially one like this," he said. "We were grossly undercapitalized and just kind of hanging in. If you reflect back on why this family relationship works, it's probably in part because of that, because it took a concerted effort on the part of

(continued on page 101)

(From left) Leaders of the Thurston clan: Don, Jeff, Mark, Bruce and Dave. At right is salesman "Uncle" Pete Aldrich, a non-family member.

NORTHEAST SURVEY

winter was a burden, seemed by the tenor of their questionaire responses to feel it is.

Somewhat surprisingly, a healthy 11 respondents indicated that the seasonality is an advantage. Part of this may be due to the location of many dealerships in locales in which sale of non-boating items, such as snowmobiles, hunting equipment or chain saws, can supplement summer earnings. (Though such dilution may have a negative effect on store identification.) In addition, four indicated that it is both an advantage and a disadvantage. The same number stated that it has no effect on their businesses.

The effect of seasonality on sales has a tinge of the chicken and egg argument. If an individual wants to buy a boat, he or she will buy it, be it June in Scranton or February in Palo Alto. The real issue may be whether there is less overall interest in the east because of the short season. The inconvenience of carrying inventory, keeping under-utilized mechanics entertained or juggling cash flow may be symptoms of the basic malady: Is the northeastern pie smaller? This is an equation with many variables. Does the huge population of the region make up for a lower percentage of boaters per capita, if indeed one exists? How does ratio of dealers to boaters differ from other areas of the country? If the saturation level is different, how does this affect each business?

How dealers cope with the winter: what effect four or five months of downtime has on them, and how they tide over until the first warm breeze of springtime created a wealth of interesting responses. The largest group (13%), run winter sales or promotions. These vary between end of season specials and holiday gift pushes. Thirteen percent also indicated that they add—or are trying to add—non-boating items. Three dealers specified that they were specializing in hunting equipment, one in snowmobiles. By far the biggest winter endeavor, however, is installations, service and winterizations of marine equipment. Twenty-four percent live through the winter in this fashion. Ten (9%) facilities specified winter storage. Six percent spend the time attending shows and cultivating prospects found there. Four simply close and hibernate until spring, one goes to an out-of-region location. Another large segment (8%) uses the cold weather months to maintain and improve their facility.

Among those who seem less disenchanted with the winter months are six who indicate that the slow down leads to more human hours and allows employees and owners to take vacations. Many use the winter to plan the year ahead, attend shows and dealer meetings and follow-up on sales leads gathered during the summer or at shows.

James Brinson, of Brinson Marine in Syracuse, is one of those who has problems in the winter. "It's very difficult to get customers to buy now (early autumn)," he said. "It's the storage business that keeps us going." Tim Leedham, of Bosun's

BEST SELLERS IN NORTHEAST DEALERSHIPS

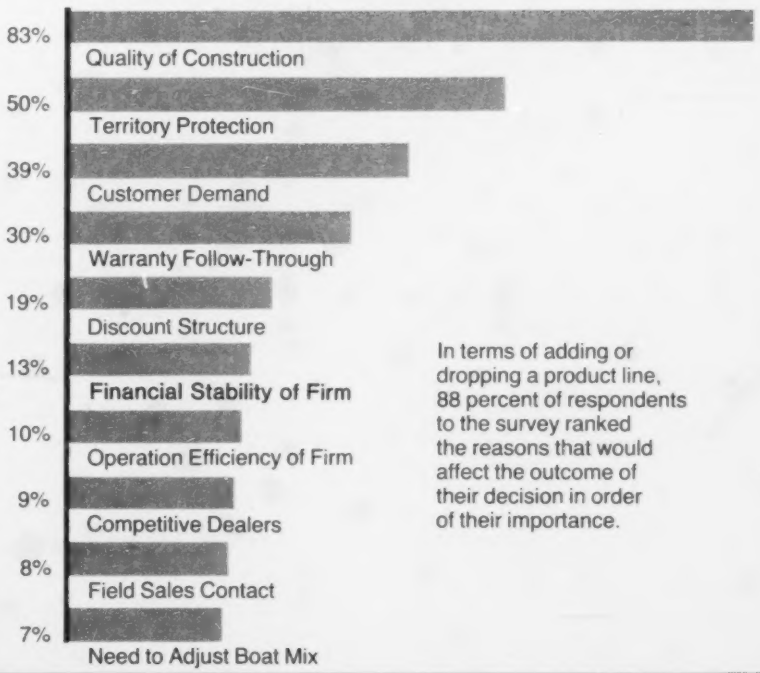
BOATS
- Runabouts
- Ski Boats
- Cruisers
- Fishing Boats

ACCESSORIES
- Standard Hardware
- Electronics
- Powerplant Parts & Accessories

POWER OPTIONS
- Outboards
- Inboard/Outdrives
- Electric Motors

The winter is seen as a headache by some and an opportunity to relax and plan by others.

FACTORS INFLUENCING PRODUCT DECISIONS BY NORTHEAST DEALERS



In terms of adding or dropping a product line, 88 percent of respondents to the survey ranked the reasons that would affect the outcome of their decision in order of their importance.

Marine, Inc., of Mashee, Massachusetts, noted that while boat sales are seasonal, rent, utilities, payroll and inventory are not. "You must keep some inventory to look like a qualified dealer when the season comes around," he said. The long off season is one of the reasons he has moved the dealership into apparel, a strong seller in any season.

Another view was presented by August Merlo, the owner of the Family Boat Center in Buffalo, New York. He uses the off season to concentrate on the overview. The winter is used for careful consideration of line changes, trips to factories to work out deals and vacations. "Everybody is in the same position in this area," he said. "You may have three months to really sell. Out of that, maybe six weeks when people really buy."

Employees and Plans

There was great division on the quality of people who work in boat dealerships. Thirty-nine percent of respondents indicated that good workers were hard to find or keep at reasonable prices. Twenty-eight percent, however, feel that workers were good or very good. Responses indicate that most attention on the survey was paid to service personnel. Those that specified administration and sales generally found no problem with the work force.

Leah Carpentier, the co-owner of Sakonnet Marine Center in Triverton, New Jersey, said that generally, good and trustworthy mechanics have secure jobs. Except in cases with mitigating circumstances, the only mechanics seeking jobs, she said, are not particularly trustworthy. Carpientier, who will soon be seeking a mechanic, prefers a family man, and may seek an auto mechanic willing to make the switch. Though there is no guarantee that a mechanic will not take the training and either ask for more money or jump ship, she said a technical school would be a good idea. She indicated that most mechanics were trustworthy, and that if treated "like family" there is no reason they would leave.

Robert Wilson, Jr., the owner of Wilson's Marineland in Fort Lee, New Jersey, sometimes tries to find graduates of local schools who may

CLOSEUP

From Marshland to Marina

Gootees Marine, in Church Creek, Maryland, is seventeen miles off the nearest major highway and nearly 100 miles away from Baltimore City. The land beneath the marina was once only marshland but thanks to the ingenuity of Philip A. Gootee in 1944, Gootees Marine is a thriving marine business in spite of it's isolated surroundings. "My Dad came in and dug the harbor and the canal coming from the creek. He used the dirt from the harbor to landscape the place. It's been sort of an uphill battle from the beginning," says son Thomas Gootee, sales manager.

Maryland is one of the better fishing areas in the United States. According to Gootee, there is a very small percentage of pleasure boaters. Most boaters in the area either make their livings off their boats or use them for serious fishing during their free time. Gootee caters to this market, specializing in fishing boats like Pro-Line, C-Hawk and Steigercraft as well as commercial workboats.

Gootee feels that since the marina is isolated from the main flow of traffic, he has to go out and "beat the bushes."

"The guy on the highway gets free advertising, sitting out there in full view with his signs lit up at night," says Gootee.

Gootee attributes a lot of his marina's business to word of mouth. "When you are located in a big metropolitan area with lots of customers, you may say to heck with the customer that gets to be a pain. Down here, since every customer really counts, we are going to try to make every one of those customers happy."

Because of his location right on the water, Gootee is able to give demonstration rides, show customers how to operate their boats and let each customer see

Henry, Philip and Tom Gootee, owners of Gootee's Marine

that all his equipment is working properly. The customer leaves the dealership thinking, "Not only do I know that this rig works, I also know how to run it."

The Gootees make a point of advertising heavily to supplement their word of mouth trade. A large concentration of advertising dollars goes into sponsoring the fish reports on the local radio station. "After all," says Gootee, "we sell fishing boats. The guy that wants to fish is listening to the fishing report, and he hears about Gootees Marine."

Although Gootee cannot be sure how much business is brought in by his radio advertisements, he thinks that the two combined, word of mouth and radio advertising, have contributed to the success of his dealership. "It's sort of like a package deal. The neighbor liked us, and then they hear about it on the radio. It could be both things that made him take a step in our direction."

Gootee admits his major problem is convincing the customer that he has something extra to make it worth the trip. But his recipe of advertising, boat shows, and keeping the customer happy, must be working since his customers come from as far away as Baltimore, Delaware, and New Jersey. □

—Kelli Anne McGowan

want to take up boating mechanics as a vocation. He also scours nearby airports to find laid off airline mechanics.

The major threat to the pool of marine mechanics comes from the automotive sector, and the latter enjoys two advantages. The first is seasonality. In order to keep a marine mechanic busy all winter takes creativity. To keep him on salary often involves a loss. Satisfying him takes precedence, however, if he is trustworthy and skilled. Auto facilities, which operate year-round with little regard to the weather outside, enjoy an upper hand. The second disadvantage is that a majority of mechanics receive their training—both formal and informal—on automobiles. A certain amount of the differences are common-sense, but a good portion are not and require special training. This puts the marine mechanic in the driver's seat.

Moves Not Considered

Finally, most facilities have not considered moving. Of 116 responses, only 18 (15%) indicated that a move was considered. Of course, the validity of this finding is limited because all those who have moved could not, of course, be queried, nor could those who have abandoned ship entirely.

It was evident from the survey that a good portion of those who at some point considered moving but did not remain out of a love of the area rather than business or economic considerations. Likewise, area and family ties seemed a major reason that the vast majority have never seriously considered pulling up stakes. Though business is generally good, the thought of moving to a warmer locale, one where year-round boating eliminates the need for marketing stop-gaps, exerted an influence, though a limited one. People sell boats and related equipment because they like selling and they like boats; likewise, they live in the northeast because they feel it is a good place for them and their families. □

CLOSEUP

Be All That You Can Be

In order for a company to be all that *it* can be, its people have to be all that *they* can be."

In paraphrasing the U.S. Army recruiting slogan, Frank Virgintino, CEO of Marineland in Throggs Neck, New York, succinctly summarized the pivotal force behind his human resources management philosophy at Marineland in Throggs Neck, New York.

"It occurred to me in the mid-seventies," said Frank, "that I spent most of my day 'making' people wrong. I spent most of my day reacting to the shortfalls of my personnel. I had to take responsibility for the fact that the dealership could only grow to the extent that I could communicate effectively with my people. But, they needed the background to understand. How could they 'see' what I could 'see' so that we could experience a mutual ground— talk the same language?"

Frank had tried to establish a meaningful, open line of communication by holding the usual staff meetings, sales meetings, marketing meetings, but as Frank put it, "More often than not these just turned out to be all hype."

It was Frank's previous experience as an educator at Essex County College in Newark that gave root to a germ of an idea. "When I was teaching, I attempted to get people to understand. Why wouldn't it work here? The industry was going to grow, and it became evident to me that there was a lack of resources in the industry in terms of people."

In truth, Virgintino's approach to his personnel problems was somewhat at odds with most managerial policies of the day. In the mid-70s a more common solution to dealing with personnel that fell short of expectations was to eliminate the problem. If the mechanic didn't work out, fire him. If the salesperson wasn't selling enough, fire him, too. Replacing, not conserving, human resources was the preferred course of action.

Frank Virgintino is CEO of seven marine dealerships in the NY/CT area.

Virgintino's conviction that there wasn't sufficient investment in people in recreational boating led to the establishment of an in-house personnel training program at Marineland. His decision entailed a major channeling of corporate funds and managerial energy into a single objective: the success of the program. That same commitment is evident today at Marineland, and at the other stores in Virgintino's dealership chain.

Typically, over a period of a week or ten days, work in a given department is stopped for one hour a day in order to conduct training sessions related to sales, shop or yard skills. From the boat washer to department heads, anyone employed at Marineland has to show personal growth, and this growth becomes a key topic of discussion when employees receive their annual evaluation. A face-to-face encounter between personnel and management at an evaluation session might raise such queries as, "What do you need to per-

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everyone that was here to pull out and stay low and tighten our belts and make a run for it because we were up to our necks. The net result is that here we are 14 years later, starting our 15th summer here at Winnipesaukee."

He indicated that the marina did about $250,000 in sales that first season. This year he expects the total to reach more than $3 million. To Jeff, the challenges and benefits extend way beyond money. "At one time or another most of our customers seem to comment on the fact that it's fascinating to see a family work together and manage not to cut each other's heads off more often than we do," he said. "There is a great deal of security and piece of mind to the idea that the people you are working with are not just good people, they're also family."

It may seem that the Thurston's know where they are going. That has not always been the case, however. Jeff remembers the family's first expedition onto the lake. "We said, 'If we are going to talk about this lake, we've got to get out there and see it.' Well, we were in for what many people go through on Winnipesaukee: a rather rude awakening. With 240 islands and 80 square miles of water, it's easy to get lost. Finally, we needed to ask directions. We were very reluctant to let anybody know we were in the marina business and actually owned a marina on the lake and couldn't find our way back home."

The family relaxes together as well. The dealership closes every winter and the whole gang goes on vacation. "We have been fortunate enough for the past nine years to be able to take all 30-plus of us to Disneyworld down in Florida for a week. We stay right there, at the Contemporary Hotel, and spend that period of time with the children and the grandchildren. We see less of each other than we like to and this is a chance to get together." □

—Carl Weinschenk

GROVER

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Hearts firmly placed in mouths, the two rode out the storm. "We had unbelieveable wave conditions, unbelieveable wind conditions hitting the boat from all angles and all sides, laying her over very badly into the water until she'd come back. We'd just hang on. Towards the end of the hurricane I don't think either of us slept. We'd just stay up and watch each wave as it hit. We weren't sure which one would be the one that would take the windshield out, or would take the house off...We actually had the eye pass through us, so we got it a second time. We had about an hour of calm after several hours of getting beat up and than we had several hours of getting beat up again." The storm eventually made the Grovers prepare to abandon ship and send a PAM-PAM, a radio call usually followed by an SOS.

The most terrifying part of the whole trip came later. "When we were about 10 days off my dad went overboard. It was fairly calm, 12 foot seas. He went back to check the motors and we hit a freak wave and it popped him overboard," said Grover. "At that point I was below deck. He didn't yell out, but I heard the splash. I got the engines off. It was a very touch and go situation. He would just about make the boat and it would surf with the waves. He would be about two or three feet from the boat and the boat would surge and he'd be 25 feet back again, and he'd have to make another swim for it. That kind of shook him a lot...He was kind of winded after that for a couple of days."

The adventure has given the young Grover a new perspective. "I feel a little more refreshed coming back to work. You're very satisfied to go back to a day-in, day-out business and run a nice, quiet store. I think we'll both live longer because of it," he said. "I would never want to not have done it, but I don't know if I'd ever want to do it again." □

—Carl Weinschenk

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form better?" or "How you feel about your job?"

The whole point is to determine what opportunities exist to enrich the function of the employee; to help him or her grow in more than one direction. Of course, not everyone wants to grow vertically. A boat washer, for example, may harbor no desire to become a yard manager. But then again, who said all growth is vertical? It is not unusual at Marineland for an employee to ask the dealership to underwrite the cost of a course in language, bible study, or interior design. A majority of firms might balk at the thought of paying for a course that is not "job-related" in the conventional sense. But Virgintino would argue that any enhancement of the human condition ultimately benefits the employer, and as such, courses of this nature are indeed job-related and should be considered a legitimate expense of doing business.

Growing people is not limited to funding formal courses. Many of Marineland's employees engage in non-classroom activities which still qualify, in management's eyes, as fulfilling the dealership's requirement that its employees not just work at the dealership, but show evidence of personal growth. Community work is one example. In yet another instance, an employee might make as modest a request as asking the dealership to pay for a subscription to a special interest magazine.

"The work is tough, but they (personnel) feel supported," Frank explained. "Sure, at times we still make mistakes. But, we are committed to clearing them up when they do happen. If Marineland doesn't finish first in the profit column, we know we will finish first in the category of relationships with both our employees and our customers." □

Olga Badillo-Sciortino